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# WPAM Revisions & Clarifications

# WPAM – Revisions / Clarifications

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## Appellate & Circuit Court Cases

- ❑ Unpublished Appellate Court Case & Circuit Court Cases are no longer in Chapter 21 of WPAM
- ❑ Unpublished appellate court cases will be identified as not to be cited as precedent.
- ❑ Circuit Court Cases are always unpublished but can provide guidance or logic

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## **Classification - Vacant Residential Land**

- 70.32(2)(c)(3) Residential includes –
  - Any parcel or part of a parcel that is
  - Untilled land not suitable for row crops with
  - Dwelling or human abode present.
  - Not otherwise classified.
- 2007 DOR clarification memo –
  - 2006 circuit court ruling not precedent setting.
  - WPAM – DOR long standing position:
    - Residential includes vacant land – most likely use would be for residential development.

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## **Classification - Vacant Residential Land**

- ❑ Residential includes.....implies it is not limited to improved parcels.
- ❑ Phrase “not otherwise classified” allows for vacant residential.

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## **Vacant Residential Guidelines**

### Residential vs. Undeveloped/Ag. Forest/Forest

- Factors to consider for residential classification:
  - Is intended or likely use residential? (per owner's actions)
  - Is parcel size typical of residential or developing parcels in area?
  - Does zoning allow residential use or will it likely be allowed?
  - Is the parcel located in a residential plat, subdivision, CSM or is it near residential development?
  - Does the parcel's topography or physical features allow for residential use?

# Yellow Handout

## CLASSIFICATIONS





### PARCEL

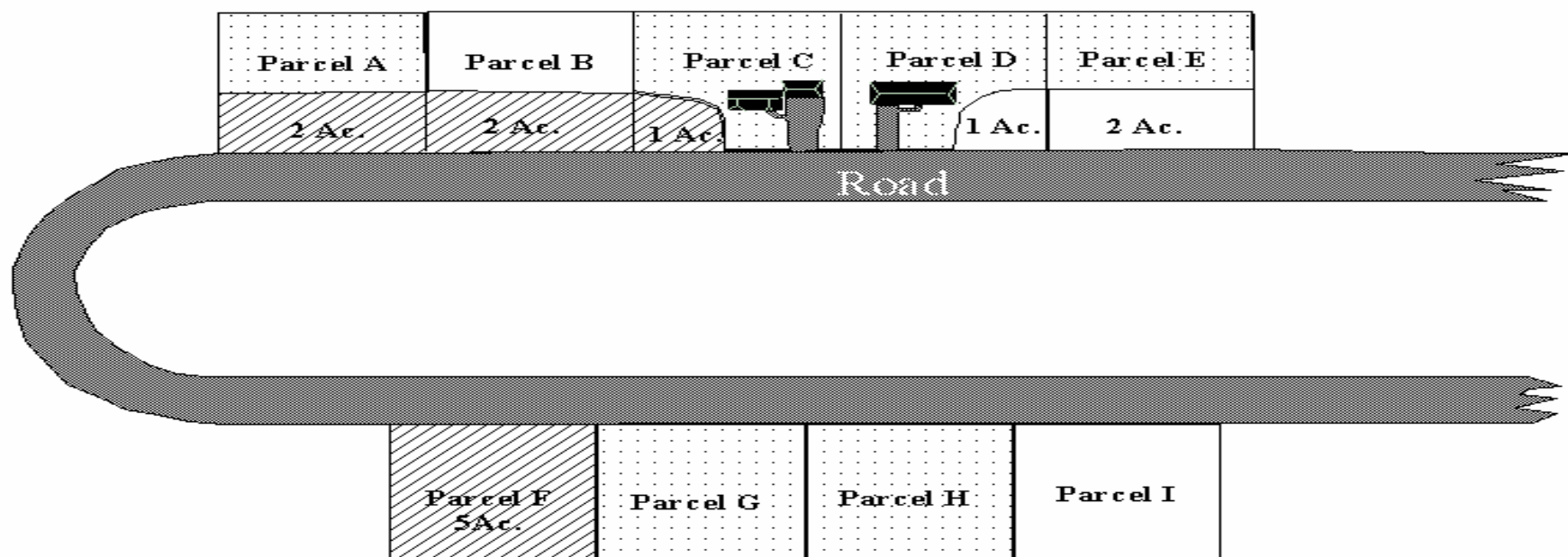
A	Residential- 3 Ac.,	Agricultural- 2 Ac.
B	Residential- 3 Ac.,	Agricultural- 2 Ac.
C	Residential- 4 Ac.,	Agricultural- 1 Ac.
D	Residential- 5 Ac.	
E	Residential- 5 Ac.	
F	Residential- 0 Ac.,	Agricultural -5 Ac.
G	Residential- 5 Ac.	
H	Residential- 5 Ac.	
I	Residential- 5 Ac.	

**Parcels A,B,E,F,G,H,I owned  
by a developer and are for sale.**

Note:  
The base acres  
of parcels (A-I) are  
5.0 Acres.

### LEGEND

	Agricultural cropland
	Trees
	Fallow
	Residence



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## **Undeveloped vs. Productive Forest**

- ❑ 70.32(2)(c)(2) Productive Forest:
  - Producing or capable of producing commercial forest products.
  - Not otherwise classified.
- ❑ 70.32(2)(c)(4) Undeveloped:
  - Bog, marsh, lowland brush
  - Uncultivated land zoned as shore land (s.59.692) and shown as a wetland on a final map (s.23.32).
  - Other nonproductive lands not otherwise classified.

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## **Undeveloped vs. Productive Forest (cont.)**

- What takes precedence if land is wooded and is located within shore-land zoning and/or on wetland map?
  - Productive forest takes precedence over undeveloped when both equally qualify.
  - Undeveloped refers to “nonproductive” land and forest to “productive”.
  - Producing and capable of producing forest products is not limited to logging for lumber.
  - Forest products include fence posts and firewood and per (NAICS) include gums, barks, balsam needles, rhizomes, fibers, spanish moss, truffles.

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## **Revaluations / Market Updates**

### □ Full Revaluation:

- Recommended when “starting over” is deemed the best option. Factors to consider:
  - property record cards are outdated or inaccurate.
  - assessment uniformity is poor.
  - full revaluation has not been performed within 10 years.
- On-site inspection of interior and exterior of all bldgs.
- Exterior measurements of all bldgs.
- New photograph of primary bldgs.
- Review and revise classifications of all parcels.
- Create a new property record card with updated info.
- Field and analyze all recent sales.

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## Full Revaluation (cont.)

- ❑ Independently determine the value of all properties
- ❑ Review all assessments on an individual basis.
- ❑ Mail property owners a notice and explanatory letter.
- ❑ Hold open book meetings.
- ❑ Defend values at the Board of Review.
- ❑ Sample contract at:  
<http://www.revenue.wi.gov/forms/govasst/pr-209.pdf>

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## External Review Valuation

- ❑ Acceptable when there is not total confidence on the property record cards but questions on physical listing can be verified without an interior inspection.
- ❑ On-site inspection of the exterior of all bldgs.
- ❑ Verify measurements of all bldgs.
- ❑ New photograph of primary bldgs. if necessary.
- ❑ Review and revise classification of parcels.
- ❑ Reconcile the existing property record card with any updated information.

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### External Review Valuation (cont.)

- ❑ Field and analyze all recent sales.
- ❑ Independently determine the value of all properties.
- ❑ Review all assessments on an individual basis.
- ❑ Mail property owners a notice and explanatory letter.
- ❑ Hold open book meetings.
- ❑ Defend values at the Board of Review.

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## Market Update

- ❑ Performed when there is confidence in the accuracy of the property record cards.
  - Full revaluation has been completed recently (5 years or less).
- ❑ Use the existing property record card to value all property.
- ❑ Field and analyze all recent sales.
- ❑ Reanalyze neighborhoods, types of properties, and current trends.
- ❑ Review all assessments on an individual basis.
- ❑ Mail property owners a notice and explanatory letter.
- ❑ Hold open book meetings.
- ❑ Defend values at the Board of Review.

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### Annual Assessment Requirements (Maintenance)

- ❑ Physical Inspection:
  - New construction, remodeling, building changes.
  - Annexed properties.
  - Exempt status changes.
  - Demolitions, fire damage.
- ❑ Re-inspect imps with on-going construction:
- ❑ Re-inspect and review:
  - All sales.
  - Legal description changes (splits, plats).
  - Zoning changes.

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### Annual Assessment Requirements (cont.)

- ❑ Review all classification for the following eligibility:
  - Agricultural (apply current use values)
  - Agricultural forest.
  - Undeveloped.
- ❑ Discovery and assessment of Personal Property.
- ❑ New assessments adjusted to level of assessment.
- ❑ Mail property owners a notice.
- ❑ Hold open book meetings.
- ❑ Defend values at the Board of Review.

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### **Recreational Mobile Home Review (2005 Act 298)**

- ❑ DOR interpretation revised / memo to assessors (Dec. 2006)
- ❑ Recreational Mobile Home exemption from personal property tax and monthly fee:
  - No larger than 400 sf (not including attachments) **OR**
  - Certified by manufacturer per ANSI 119.5
    - ❑ metal plate
  - Used primarily as temporary living quarters.
  - For recreational, camping, travel, or seasonal purposes.

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### Recreational Mobile Home Review (2005 Act 298)

#### □ RMH exemption includes:

- Steps and a platform
  - Not exceeding 50 sf.
  - Leading to a recreational mobile home

#### □ RMH exemption does not include:

- Any other addition, attachment, patio, or deck.

#### □ May districts continue the monthly parking fee on only the attachments or appurtenances if RMH is exempt?

- Yes

#### □ May the fee be assessed in campgrounds?

- Yes

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### Manure Digesters - Methane Production

- ❑ Not exempt as waste treatment - 70.111(21).
  - Animal waste is not “industrial” waste.
- ❑ Not exempt as a public utility if owned and operated by farmer.
  - Doesn't extend into more than one municipality.
  - Doesn't produce at least 50 megawatts –  
76.28(1)(gm)(2)
- ❑ Specific equipment is exempt if owned or operated by a qualifying utility company per chpt. 76.
  - e.g. Alliant Energy, Xcel Energy, WI Public Service, etc.

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### **Manure Digesters - Methane Production**

- Manure storage facilities used by a farmer are exempt per 70.11(15) whether real or personal.
  - e.g. concrete pit for liquid manure storage.
- S.70.111(10) exempts farm machinery and equipment.
  - Must be used exclusively and directly in farming.
  - Generating electricity is not considered a farming activity.

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### **Native American Property**

- Results of the US Court Case in Michigan (Keweenaw Bay Community) June 26, 2006.
  - Native American land allotted per General Allotment Act of 1887.
    - allowed to be taxed locally.
  - Native American land allotted per the Treaty of 1854.
    - no presumption of taxability.
    - burden to prove taxability rests with municipality.
  - Municipality required to determine.
    - was parcel subject to the 1854 treaty?
    - is the fee simple parcel within the outer boundary of the reservation?
    - does tribal member or tribe own the property?
- 4 reservations in WI may be affected by the 1854 Treaty:
  - Bad River (formerly LaPointe band), Red Cliff, Lac Du Flambeau, and Lac Courte des Oreilles.

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### Use Value Penalty Notification

#### ❑ Problems with the Penalty

- Reported inconsistently, or not at all.
- Person receiving Penalty often not aware of it.
- After BOR is too late to contest penalty, as re-classification is final.

#### ❑ AB 470 is Proposed, which will make some type of Notification mandatory.

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### Use Value Penalty Notification (cont.)

#### □ Suggested Notification Form includes:

- Statutory reference and description of the Penalty.
- Year in which classification changed.
- Number of acres to be penalized.
- Penalty \$ per acre.
- Contact assessor if wrong person is being notified.
- DOR reference to Frequently Asked Questions.  
<http://www.revenue.wi.gov/faqs/slf/usevalue.html>

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### Use Value Penalty Notification (cont.)

#### □ Recommendation:

- Form is available on DOR web and in WPAM.
- Send this form along with Notice of Assessment Change.
- Send this form to the person who will be penalized if different from person receiving the Notice of Assessment Change.
- Amount of Penalty per acre for changes during 2007 will be posted to DOR web site in March of 2008 at:  
<http://www.revenue.wi.gov/slf/useval/uvpen.pdf>

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## **Agricultural Land Conversion Penalty**

2001 Wisconsin Act 109 Section 74.485

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The enclosed Notice of Assessment reflects a classification change for land that has been converted from agricultural use to another use. Land which classification changed from agricultural during 200\_, to Residential, Commercial, Manufacturing, or Exempt, is subject to a conversion penalty. The penalty will vary by the number of acres converted by the same owner in the same municipality. The County Treasurer will be issuing this penalty to the person making the change in use, after the completion of the Board of Review. If someone other than you has made the conversion, please contact the assessor to ensure that the penalty is collected from the proper individual.

The number of acres potentially subject to a conversion penalty are\_\_\_\_\_.

The penalty per acre is listed below:

\$\_\_\_\_\_ per acre / more than 30 acres converted

\$\_\_\_\_\_ per acre / 10 to 30 acres converted

\$\_\_\_\_\_ per acre / less than 10 acres converted

For additional information about the penalty, see the Department of Revenue Frequently Asked Questions at <http://www.revenue.wi.gov/faqs/slf/usevalue.html>. If after reviewing this material, you believe the reclassification of the land is incorrect, please discuss it with your assessor.

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# Snowmobile Grooming Equipment

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- ❑ Questions have arisen about taxability of snowmobile clubs and their equipment
- ❑ Property is assumed taxable; must be specifically exempted, or declared exempt by court proceedings.
- ❑ There is no specific exemption for property owned by snowmobile clubs.